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*Attorneys for Debtor*

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF ARIZONA**

In re:

GREEN FUEL TECHNOLOGIES, LLC,

Debtor.

In Chapter 11 Proceedings

Case No.: 2:17-bk-00594-BMW

**OBJECTION TO PROOF OF CLAIM  
NO. 2 FILED BY UMB BANK, N.A.**

Green Fuel Technologies, LLC, debtor and debtor-in-possession in the above-captioned Chapter 11 case (the “Debtor”), by and through undersigned counsel, hereby objects to the Proof of Claim No. 2 filed by UMB Bank, N.A. In support of this Objection, the Debtor sets forth the following.

1. On January 16, 2017 (the “Petition Date”), the Debtor filed its voluntary petition for relief under Chapter 11 of the Bankruptcy Code.

2. Debtor is indebted to UMB pursuant to a (i) Commercial Security Agreement dated April 30, 2012; the (ii) Promissory Note dated January 31, 2015 (the “Note”) in the increased maximum principal amount of \$1,200,000.00 with an original maturity date of

1 August 31, 2015; and the (iii) Business Loan Agreement (Asset Based) dated January 31,  
2 2015.

3  
4 3. On or about November 2015, the Debtor defaulted under the Note. Debtor  
5 and UMB entered into a series of six forbearance agreements, the last of which expired on  
6 November 30, 2016.

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8 4. UMB then initiated litigation in Arizona state court seeking judgment against  
9 the Debtor and its principals, who executed separate guarantees, and for the appointment of  
10 a receiver. This matter was not litigated due to the filing of Debtor's bankruptcy petition.

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12 5. On April 7, 2017, UMB Bank, N.A. ("UMB") filed its amended Proof of  
13 Claim No. 2, asserting a secured claim in the amount of \$729,379.77. Pursuant to the proof  
14 of claim, the breakdown of the claim is as follows:

15	Principal	\$679,376.12
16	Interest (through 1/24/17)	\$10,701.15
17	Late charges	\$50.00
18	Legal fees and costs	<u>\$39,252.50</u>
	TOTAL =	\$729,379.77

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20 6. On or about July 27, 2017, counsel for UMB asserted in an email to Debtor's  
21 counsel that the current amount of UMB's claim was in excess of \$960,000.00, primarily due  
22 to attorneys' fees incurred by UMB in excess of \$277,000.00. See Exhibit A.

23  
24 7. Debtor objects to the attorneys' fees and legal expenses set forth in UMB's  
25 proof of claim. Although UMB may be entitled to attorneys' fees under the Note and section  
26 506(b) of the Code, the amount of UMB's attorneys' fees may be limited based on  
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1 reasonableness. It is simply not reasonable that UMB has incurred in excess of \$39,000 in  
2 prepetition attorneys' fees and \$238,000.00 in post-petition attorneys' fees (representing over  
3 40% of the principal amount of its claim) under the facts of this case.  
4

5 8. Debtor will supplement its objection once it has received the appropriate billing  
6 statements from UMB and reviewed them.  
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8 WHEREFORE, the Debtor respectfully requests that the Court determine the proper  
9 amount of UMB's secured claim and disallow any claim for unreasonable attorneys' fees and  
10 costs, and for such further relief as is just.  
11

12 RESPECTFULLY SUBMITTED this 9th day of August, 2017.

13 **DAVIS MILES MCGUIRE GARDNER, PLLC**

14 /s/ Pernell W. McGuire

15 Pernell W. McGuire

16 M. Preston Gardner

17 Attorneys for Debtor  
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1 I certify that on August 9, 2017, I electronically filed the foregoing  
2 **OBJECTION TO PROOF OF CLAIM NO. 2 FILED BY UMB BANK, N.A.** with the  
3 Clerk of the Court for the United States Bankruptcy Court by using the CM/ECF system.

4 I further certify that parties of record in this case who either are registered CM/ECF users,  
5 or who have registered for electronic notice, or who have consented in writing to electronic  
6 service, will be served through the CM/ECF system.

7 I further certify that some of the parties of record in this case have not consented to  
8 electronic service. I have caused a copy of the foregoing document to be placed in the U.S.  
9 Mail, First Class, postage-prepaid to:

10 None

11 By: /s/ Joan Stoner  
12 Joan Stoner

